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June 4, 2013

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JUN 05 2013

PUBLIC SERVICE COMMISSION

David C. Brown (502) 681-0421 (502) 779-8251 FAX dbrown@stites.com

Mr. Jeff DeRouen, Executive Director Kentucky Public Service Commission 211 Sower Blvd. Frankfort, KY 40601

> RE: Big Rivers Rate Case Case No. 2012-00535

Dear Mr. DeRouen:

Enclosed you will find the original and ten copies of a Motion of Alcan Primary Products Corporation to be Permitted to Withdraw as an Intervenor in the Big Rivers' rate case.

We appreciate the Motion being filed.

Very truly yours,

David C. Brown

DCB:msp Enclosures

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COMMONWEALTH OF KENTUCKY BEFORE THE PUBLIC SERVICE COMMISSION

JUN 05 2013 PUBLIC SERVICE COMMISSION

In The Matter of:

APPLICATION OF BIG RIVERS ELECTRIC)	CASE NO. 2012-00535
CORPORATION FOR AN ADJUSTMENT)	
OF RATES)	

MOTION OF ALCAN PRIMARY PRODUCTS CORPORATION AND COUNSEL TO WITHDRAW AS INTERVENOR AND COUNSEL TO INTERVENOR

Alcan Primary Products Corporation ("Alcan"), by counsel, moves the Commission for an Order authorizing its withdrawal as intervenor in this proceeding and authorizing David C. Brown, Esq. and Donald P. Seberger, Esq., to withdraw as counsel of record.

In support of this Motion, Alcan states the following:

- 1. Until June 1, 2013, Alcan has been the owner and operator of an aluminum smelter located in Robards, Kentucky (the "Sebree Smelter"), which is supplied with electric energy by Kenergy Corp. ("Kenergy") from Big Rivers Electric Corporation ("Big Rivers") under certain agreements and collateral documents that include the following:
 - Retail Electric Service Agreement dated as of July 1, 2009 by and between Kenergy and Alcan ("Retail Agreement");
 - Coordination Agreement dated as of July 1, 2009 by and between Alcan and Big Rivers

The foregoing documents and all collateral documents defining the provision of electric service to the Sebree Smelter are hereafter referred to as the "Contract Documents."

2. On January 15, 2013 Big Rivers filed its Application herein to increase its wholesale electric rates to become effective August 20, 2013. By Order dated February 12,

- 2013, the Commission sustained Alcan's motion for full intervention. By Order dated February 13, 2013, the Commission admitted Donald P. Seberger, *pro hac vice*, for the purpose of representing Alcan in this proceeding along with David C. Brown, Esq., of Stites & Harbison.
- 2. On February 14, 2013 Alcan filed its Initial Request for Information to which Big Rivers responded on February 28, 2013. Alcan has filed no other data requests, motions or testimony in this docket.
- 3. On April 28, 2013, Alcan and Century Aluminum Sebree LLC (formerly known as Century Echo LLC), a limited liability company organized under the laws of Delaware ("Century") and an affiliate of Century Aluminum Company, entered into an Asset Sale Agreement (the "Agreement") pursuant to which Alcan agreed to sell to Century and Century agreed to Purchase from Alcan substantially all the assets of Alcan, which assets comprise the entirety of the Sebree Smelter (the "Transaction"). The Agreement provides, among other things, that at consummation of the Transaction, Alcan will unconditionally assign the Contract Documents to Century and Century will unconditionally assume the obligations thereunder.
 - 4. Sections 16.1 and 16.2 of the Retail Agreement provide the following:
 - Binding Nature. This Agreement will inure to the benefit of and be binding upon the Parties hereto and their respective successors and permitted assigns. No interest in this Agreement may be transferred or assigned by either Party, in whole or in part, by instrument or operation of law, without the prior written consent of the other Party, except as provided in section 16.4, and except that, subject to the satisfaction of the conditions of section 16.2, assignment may be made by either Party to such Person as acquires all or substantially all the assets of the assignment party or which merges with or acquires all or substantially all of the equity of such Party. When consent is required, consent may not be unreasonably withheld, conditioned or delayed.
 - 16.2 Limitation on Assignment. In no event may either Party assign this Agreement (including as part of a sale of all or substantially all the assets of the assigning Party or a merger with or purchase of substantially all the equity interests of such Party) (i) to any Person that does not have adequate financial capacity as demonstrated to the reasonable satisfaction of the non-assigning party or that would otherwise be unable to perform

- the obligations of the assigning Party pursuant to this Agreement or (ii) on any terms at variance from those set forth in this Agreement except as agreed to in writing by the Parties.
- 5. By letter agreement dated May 30, 2013, Kenergy and Big Rivers consented to the assignment of the Contract Documents by Alcan to Century as set forth in Section 16.1 of the Retail Agreement. A true and correct copy of such consent is attached to this Motion as Exhibit A.
- 6. On May 31, 2013, Alcan and Century consummated the Transaction, and the Contract Documents were unconditionally assigned by Alcan to Century such that Century, and not Alcan, is now the owner of the Sebree Smelter that is supplied with electric energy by Kenergy from Big Rivers.
- 7. By virtue of (i) the assignment of the Contract Documents by Alcan to Century, (ii) the consent to the assignment by Kenergy and Big Rivers and (iii) consummation of the Transaction, Alcan no longer has an interest in this proceeding and no purpose would be served for Alcan continuing to participate as intervenor.
- 8. As Alcan no longer has an interest in this proceeding, Alcan respectfully requests that the Commission enter an Order authorizing Alcan's withdrawal from this proceeding, together with the withdrawal of David C. Brown of Stites & Harbison and Donald P. Seberger, *pro hac vice*, as counsel of record, promptly and in advance of the hearing now scheduled for July 1, 2013.
- 9. Counsel is authorized by Big Rivers, Kenergy, the Attorney General and Kentucky Industrial Utility Customers to represent to the Commission that they have no objection to the entry of the Order requested by this Motion. Counsel knows of no objection to the entry of the requested Order by any intervening party.

WHEREFORE, Alcan Primary Products Corporation respectfully requests an Order by the Commission in advance of the hearing now scheduled for July 1, 2013 dismissing it as an intervenor in this proceeding and approving the withdrawal of David C. Brown, Esq. of Stites & Harbison and Donald P. Seberger, Esq., *pro hac vice*, as counsel of record.

June ⊈, 2013

Respectfully submitted,

David C. Brown, Esq. Stites & Harbison, PLLC

400 West Market Street, Suite 1800

Louisville, KY 40202

Counsel for Alcan Primary Products

Donald P. Seberger, Esq.

Special Counsel Rio Tinto Alcan

8770 West Bryn Mawr Avenue

Chicago, IL 60631

CERTIFICATE

A copy of the foregoing Petition for Full Intervention has been served by United States mail on the following persons this the 4th day of June, 2013:

Jennifer B. Hans Lawrence W. Cook Dennis G. Howard, II Assistant Attorneys General Suite 200 1024 Capital Center Dr. Frankfort, KY 40601

Mr. Edward T. Depp, Esq. Dinsmore & Shohl
101 South Fifth Street

Louisville, KY 40202`

Robb Kapla Staff Attorney Sierra Club 85 Second Street San Francisco, CA 94105

Mark Bailey President & CEO Big Rivers Electric Corporation 201 Third Street Henderson, KY 42419

Michael L. Kurtz, Esq. Kurt J. Boehm, Esq. Boehm, Kurtz & Lowry 2110 CBLD Center, Suite 1510 36 E. Seventh Street Cincinnati, OH 45202

Shannon Fisk
Senior Attorney
Earthjustice
Suite 1675
1617 John F. Kennedy Blvd.
Philadelphia, PA 19103

James M. Miller Tyson Kamuf Sullivan, Mountjoy, Stainback & Miller 100 St. Ann Street Owensboro, KY 42302

Gregory Starheim President & CEO Kenergy Corp. 6402 Old Corydon Road PO Box 18 Henderson, KY 42419-0018

J. Christopher Hopgood, Esq. Dorsey, King, Gray, Norment & Hopgood 318 Second Street Henderson, KY 42420

Burns Mercer Meade County RECC 1351 Hwy 79 PO Box 489 Brandenburg, KY 40108

Thomas C. Brite, Esq. Brite & Hopkins, PLLC 83 Ballpark Road Hardinsburg, KY 40143

G. Kelly Nuckols
President and CEO
Jackson Purchase Energy Corporation
2900 Irvin Cobb Drive
PO Box 4030
Paducah, KY 42002-4030

Melissa D. Yates Denton & Keuler, LLP Suite 301 555 Jefferson Street Paducah, KY 42001 Joe Childers Joe F. Childers & Associates 300 Lexington Building 201 West Short Street Lexington, KY 40507

David C. Brown

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ALCAN PRIMARY PRODUCTS CORPORATION

8770 West Bryn Mawr Avenue Chicago, Illinois 60631

May 29, 2013

Kenergy Corp. 6402 Old Corydon Road Henderson, Kentucky 42420 Big Rivers Electric Corporation 201 Third Street Henderson, Kentucky 42420

Attn: Mr. Gregory Starheim

President and CEO

Attn: Mr. Mark Bailey

President and CEO

Re: Alcan Primary Products Corporation

Dear Messrs. Starheim and Bailey:

Alcan Primary Products Corporation ("Alcan") has entered into a certain Asset Sale Agreement, dated April 28, 2013 (the "Sale Agreement"), pursuant to which Alcan has agreed to sell, assign, transfer, and convey to Century Aluminum Sebree LLC (formerly known as Century Echo LLC), a wholly-owned affiliate of Century Aluminum Company ("Century"), substantially all of the property and assets related to Alcan's Robards, Kentucky aluminum smelter (the "Sebree Smelter"). Included among the assets of the Sebree Smelter being sold, assigned, transferred, and conveyed (the "Sale Transaction") are the Retail Electric Service Agreement, dated as of July 1, 2009 (the "Power Agreement"), and the related Coordination Agreement, the Escrow Agreement, the Notification and Control Agreement, the Security and Lockbox Agreement, and the Security Agreement, each dated as of July 1, 2009, and the Letter Agreement regarding Market Energy Transaction, dated effective as of July 1, 2012 (the "Related Agreements"). The Sale Transaction is expected to be completed on or about May 31, 2013 (the "Closing Date").

Pursuant to the terms of Section 16.2 of the Power Agreement, Alcan hereby seeks the consent of Kenergy Corp. ("Kenergy") and Big Rivers Electric Corporation ("Big Rivers") to assign to Century all of Alcan's right, title, and interest in, to, and under the Power Agreement and each of the Related Agreements. Pursuant to the terms of the Sale Agreement and a related Assumption Agreement, on the Closing Date of the Sale Transaction Century will assume, pay, discharge, and perform when due all liabilities and obligations arising under or relating to the Power Agreement and each of the Related Agreements to the extent such liabilities or obligations first arise or accrue on or after, or are otherwise properly attributable to periods commencing on or after, the Closing Date. All liabilities or obligations arising under or relating to the Power Agreement and each of the Related Agreements to the extent such obligations or liabilities have not been effectively assumed by Century remain the liability and obligation of Alcan.

By countersigning this letter, Kenergy and Big Rivers each hereby (a) consents to the assignment of the Power Agreement and each of the Related Agreements to Century, (b) agrees that the assignment shall not constitute a breach under the Power Agreement or any of the Related Agreements, and (c) agrees that, conditional upon the consummation of the Sale Transaction and effective on the Closing Date, (i) Century shall be solely liable for and shall assume, pay, discharge, and perform when due all liabilities and obligations arising under or relating to the Power Agreement and each of the Related Agreements, to the extent such liabilities or obligations first arise or accrue on or after, or are otherwise properly attributable to periods commencing on or after, the Closing Date, and (ii) Alcan shall be and remain solely liable for all liabilities or obligations arising under or relating to the Power Agreement and each of the Related Agreements prior to the Closing Date.

It is further understood that the consent by Kenergy and Big Rivers shall be subject to and conditioned on the following: (1) the consent shall not impose any additional obligations on Kenergy or Big Rivers or otherwise affect any of the rights of Kenergy or Big Rivers under the Power Agreement and each of the Related Agreements, (2) the consent of Kenergy and Big Rivers shall not operate as a waiver of any prohibition against further assignments without the consent of Kenergy and Big Rivers, (3) by giving its consent, neither Kenergy nor Big Rivers does in any manner adopt, accept or approve any of the terms or conditions of any of the agreements between Alcan and Century, and (4) except as set forth herein, the consent shall of Kenergy and Big Rivers shall not operate or be construed as any waiver of any term, condition, right or remedy of Kenergy or Big Rivers under the Power Agreement or any of the Related Agreements, either before or after the Closing Date.

Concurrently with this letter, Alcan and its corporate parent, Alcan Corporation, are delivering to Kenergy and Big Rivers a certain Acknowledgement which supplements the subject matter of this letter.

Please call me at (773) 787-9702 or contact me at <u>donald.seberger@riotinto.com</u> if you have any questions about this letter or the request for written consent.

Very truly yours,

ALCAN PRIMARY PRODUCTS CORPORATION

By:

Donald P. Seberger Authorized Representative ACKNOWLEDGED AND AGREED this 36 day of May, 2013

KENERGY CORP.

Ву:

Gregory Starheim President and CEO

Copy: James M. Miller, Esq.

Jesse E. Gary, Esq. J. Chris Hopgood, Esq.

Mr. Serge Gosselin Mr. Jeremy Jenkins Mr. Charles Coney ACKNOWLEDGED AND AGREED

this 2013 this 2013

BIG RIVERS ELECTRIC CORPORATION

Ву:

Mark Bailey

President and CEO